

Introduced by Senator Cedillo

September 8, 2009

Senate Concurrent Resolution No. 59—Relative to the American Recovery and Reinvestment Act of 2009.

LEGISLATIVE COUNSEL'S DIGEST

SCR 59, as introduced, Cedillo. Public contracts: The American Recovery and Reinvestment Act of 2009.

This act would urge all state and local government agencies, departments, offices, and other entities responsible for the allocation and disbursement of federal American Recovery and Reinvestment Act funds for public contracts and infrastructure projects in the state, to the extent permitted under state and federal law, to ensure that Latino-owned and minority-owned small businesses receive an equal share of the available federal stimulus funds.

Fiscal committee: no.

- 1 WHEREAS, The economy of the United States is experiencing
2 a recession that is causing significant unemployment and loss of
3 income for many American families; and
4 WHEREAS, On February 17, 2009, President Barack Obama
5 signed the \$787 billion American Recovery and Reinvestment Act
6 of 2009 (Public Law 111-15), hereafter known as the ARRA, for
7 the purposes of saving jobs, creating jobs, and getting our economy
8 moving again; and
9 WHEREAS, The ARRA appropriates funds to be used for the
10 purposes of stimulating the economy, including, but not limited
11 to, green job creation, broadband technology expansion,
12 smart-energy grid construction, healthcare efficiency through

1 technology, scientific research, tax cuts, creation of
2 business-friendly tax incentives, infrastructure development,
3 construction of roads, bridges, mass transit, clean water projects,
4 expansion of unemployment benefits, and other social provisions
5 and offers as incentives for domestic spending in education, health
6 care, and infrastructure; and

7 WHEREAS, Of the \$787 billion provided to the states under
8 the ARRA, \$288 billion was directed at tax relief and \$499 billion
9 for spending-related incentives, including \$144 billion for state
10 and local fiscal relief, \$111 billion for health care, \$53 million for
11 education and training, and \$43 billion for energy; and

12 WHEREAS, Of the \$787 billion total available under the ARRA,
13 25% of the stimulus fund money is intended to be spent by
14 September 2009, another 50% by September 2010, and yet another
15 15% by September 2011, for a projected total of 90% of the total
16 \$787 billion to be spent by September 2011; and

17 WHEREAS, The federal stimulus package under ARRA
18 emphasizes the need for each state to boost its economy through
19 the initiation of a wide range of projects, recognizing the
20 importance of providing economic stimulus opportunities to all
21 sectors of the economy, including public and private; and

22 WHEREAS, California has been awarded a greater share of
23 funding under the ARRA than any other state in the nation. In this
24 regard, California is projected to receive \$95 billion, with \$11
25 billion of that total being directed toward the state budget shortfall.
26 On March 5, 2009, Governor Schwarzenegger reaffirmed
27 California's commitment to use the ARRA funds to create jobs
28 and promote economic growth; and

29 WHEREAS, The federal government has estimated that the
30 ARRA will create 396,000 jobs in California, and federal stimulus
31 funds will be allocated to both state entities and local government
32 bodies; and

33 WHEREAS, The State of California, in order to promote
34 economic growth to all contributing sectors of the economy, needs
35 a comprehensive federal stimulus package that allocates a fair
36 share of funding by stimulating a variety of the segments of the
37 state's economy, so that all citizens of all regions of the state will
38 benefit; and

1 WHEREAS, Much of the economic stimulus fund money that
2 has been distributed up to date has been directed towards
3 departments in the state; and

4 WHEREAS, In order for the economy to fully recover from the
5 ground up and rebuild small communities, it is necessary for small
6 businesses, especially Latino-owned and minority-owned small
7 business, to overcome this recession with the help of economic
8 stimulus funds; and

9 WHEREAS, Governor Schwarzenegger has stated that
10 California's economic recovery is tied directly to the success of
11 the state's business community, particularly California's small
12 business community; now, therefore, be it

13 *Resolved, by the Senate of the State of California, the Assembly*
14 *thereof concurring*, That the Legislature urges all state and local
15 government agencies, departments, offices, and other entities that
16 are responsible for the allocation and disbursement of federal
17 ARRA funds for public contracts and infrastructure projects in the
18 state, to the extent permitted by federal and state law, to ensure
19 that Latino-owned and minority-owned small businesses in the
20 state receive an equal share of the federal stimulus funds made
21 available to California under the ARRA; and be it further

22 *Resolved*, That the Secretary of the Senate transmit copies of
23 this resolution to the author for appropriate distribution.